

RAJYA SABHA

Friday, the 26th February, 1988/
Phalgun, 1909 (Saka)

The House met at eleven of the clock, Mr.
Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Losses to Hindustan Copper Ltd.

*61. SHRI DINKARRAO GOVINDRAO
PATIL; Will the Minister of STEEL AND
MINES be pleased to state;

(a) whether it is a fact that the Hindustan
Copper Ltd. is in a bad shape;

(b) if so, the losses incurred by the
company during the last two years; and

(c) the steps taken by Government so far
to mitigate the losses?

THE MINISTER OF STATE IN THE
DEPARTMENT OF MINES IN THE
MINISTRY OF STEEL AND MINES (SHRI
RAMANAND YADAV): (a) to (c) A
statement is laid on the Table of the House.

Statement

(a) To (c) The performance of
Hindustan Copper Limited (HCL)
has been improving steadily. The
Company has taken various short-
term and long-term measures to con-
trol costs of production and contain
losses. The Government have accord-
ed appropriate financial
aid to the Undertaking. Gov-
ernment have also sanctioned
loans for the debottlenecking and
modernisation of the smelters and
Series at Khetri Copper Complex
CO and Indian Copper Complex
C) implementation of which would
result in higher production on a
sustained basis.

As a result of these various measures, the
Company which suffered a loss of Rs. 27.71
crores during 1985-86

Has, provisionally, reported a reduced loss of
Rs. 8.87 crores during 1986-87. These figures
exclude interest on Government loan. The
position is expected to further improve during
1987-88.

SHRI DINKARRAO GOVINDRAO
PATIL; Sir, the hon. Minister has given
various measures to control the cost of
production and to cut down losses. I will put
only one question without any supplementary.
I would like to know whether the instability in
copper prices is due to their linkage with the
copper prices of London Metal Exchange and
whether it is one of the main reasons for the
losses in the Copper Corporation. If so, does
the Government propose to delink our copper
prices with that of the London Metal
Exchange? If not, what are the other
measures?

THE MINISTER OF STEEL AND MINES
(SHRI MAKHAN LAL FOTEDAR): I may
tell the hon. Member that on the suggestion of
the Revenue Department, the BICP is
examining this question and we are awaiting
the report whether it should be linked to the
London Metal Exchange or not.

SHRI JAGESH DESAI: Mr. Chairman, Sir,
the Hindustan Copper Limited has represented
to the Government that the customs duty on
the import of copper should not be reduced. If
it is reduced, then the industry which is at
present in a very bad shape, will further be
damaged and they will incur heavy losses.
'Will the Government consider this proposal of
the Hindustan Copper Limited that the
customs duty on copper should not be
decreased so that it can be helpful to the
company being more viable?

SHRI MAKHAN LAL FOTEDAR: Sir, the
import duty on copper was 140 per cent
previously and it has now been brought down
to 95 per cent because of the rise in the price
of copper in the national market. Since the
price of copper has increased here,

we have no proposal to go to the Revenue Department and the Ministry of Finance to increase the import duty. It is for the Ministry of Finance to increase it or to decrease it. So far as copper prices are concerned, I hope these prices will be relatively stable in the country.

SHRI BIR BHADRA PRATAP SINGH: The reply says that short-term and long-term measures with regard to control the cost of production and to contain losses will be taken. But it does not say anything about the availability. I may tell the reasons. Electricity wires need copper and we have failed to meet the needs because its substitute, the aluminium, has been rejected by the consumers. Now there are two problems which I want to put to him. What are we doing to check the import of copper? If we are not able to meet the demand, imports will become inevitable. Secondly, what are we going to do to get the diversion to the blackmarket stopped because in black it is available, otherwise it is not available?

SHRI MAKHAN LAL FOTEDAR: Sir in the written reply we have given the short-term and long-term measures to improve the production of copper. As the hon. Members are aware, copper is a very strategic metal. For some time, there will not be self-reliance in the copper production. But during this time, we have adopted certain short-term and long-term measures for improving the production of copper. I have given some details in the reply but I would like to pinpoint some of them. One is phasing out of uneconomic mines. This is a short-term measure that we are adopting. Second is about acceleration of development of new mines. Third is stabilisation of captive power generation. Fourth is economy in expenditure. This we have already taken up. So far as the long-term measures are concerned, we have taken up modernisation of smelters find refineries at a cost of Rs. 50.85 crores. The schemes are in operation

from 1985 and these will be completed by 1989. Second is setting up of a continuous cast-copper rod plant in Maharashtra. It is about 30 or 50 kms. from Bombay. Land has been acquired. This will be taken up at a cost of about Rs. 18 crores. The money has been sanctioned and this will have a capacity of 60,000 tonnes. Third is feasibility study for integrated development of Singhbhum copper belt. This will be done at a cost of about Rs. 3.5 crores.

श्री सत्य प्रकाश मालवीय : सभापति महोदय, अन्तिम रूप से हिंदुस्तान कापर लिमिटेड का घाटा करीब-करीब 9 करोड़ का है। मैं माननीय मंत्री जी से यह जानना चाहता हूँ कि यह घाटा क्यों हुआ और इसके क्या कारण थे तथा क्या सरकार द्वारा इसकी जांच की गई है, यदि जांच की गई है तो उसमें क्या कारण घाटा होने के मिले ?

SHRI MAKHAN LAL FOTEDAR: Sir, the hon. Member must be knowing that it was in the wake of the early sixties that a decision had to be taken that even if copper production has to be done at a loss, it must be taken up. You know, Sir, what happened in the early sixties. Copper is a very strategic metal. We should not wholly remain dependent on imports of copper. That is why this industry was started at Khetri and other places. For some time we will have to remain dependent on imports. But, maybe, in the 8th Five Year Plan we will be able to do something for increasing the production of copper.

कुमारी सईदा खातून : सभापति जी, मैं यह कहना चाहती हूँ कि हिंदुस्तान कापर लिमिटेड की दशा बहुत खराब है तो इस घाटे का कारण यह है उन क्षेत्रों में जहाँ कि कापर के 65 वर्ष के डिपॉजिट प्राप्त हुए हैं वहाँ से कापर दूसरी स्टेट्स को भेजा जाता है जिससे ट्रांसपोर्ट में अधिक खर्च होता है इसलिये उसी क्षेत्र में क्यों न प्लांट लगा दिये जाये, स्मेल्टर प्लांट लगा दिये जाएं। इसी तरह का एक

क्षेत्र जहाँ कापर के 65 वर्ष के डिपॉजिट प्राप्त हुए हैं मध्य प्रदेश के बालाघाट जिले में मलाजखंड है मैं यह जानना चाहती हूँ कि क्यों न उस क्षेत्र में अपर स्मेल्टर प्लांट लगा दिये जायें, क्या इस तरह की कोई योजना सरकार के पास है ?

श्री सभापति : मलाजखंड में क्या आप प्लांट लगाएंगे, यह छोटा सा सवाल है (व्यवधान)

That is what she wants to know.

SHRI MAKHAN LAL FOTEDAR: There is no such proposal at the present moment. But, we are _____ (Interruptions) ...

मलाजखंड के बारे में जो पूछा गया है वह सरकार के जेरेगौर है। (व्यवधान)

श्री चतुरानन मिश्र : सभापति जी, मैं सरकार से यह जानना चाहता हूँ कि जब हमारी लेबर कास्ट दूसरे देशों के मुकाबले में बहुत कम है तब हमारे यहाँ कापर का दाम ज्यादा क्यों है अंतर्राष्ट्रीय दाम के मुकाबले में। दूसरी बात इससे सम्बंधित यह है कि जो कापर प्रोड्यूसिंग क्षेत्र है वहाँ बेंक का इन्ट्रेस्ट रेट क्या है। क्या यह सच है कि हमारे यहाँ अन्य देशों के मुकाबले में इंट्रेस्ट रेट तिगुना है, क्या यह सही है या नहीं है ? इन दो बिंदुओं पर माननीय मंत्री जी स्पष्टीकरण दें।

श्री माखन लाल फोतेदार : यह बात सही नहीं है कि लेबर कास्ट यहाँ ज्यादा है, अलबत्ता यह बात सही है कि लेबर फोर्स ज्यादा इम्प्लाय किया गया है (व्यवधान) मैं आनरेबुल मेम्बर को यह बताना चाहता हूँ कि खेती कापर काम्प्लेक्स में 8 हजार लोग काम कर रहे हैं, इंडियन कापर काम्प्लेक्स में 15 हजार काम कर रहे हैं, मलाजखंड कापर प्रोजेक्ट में जो कि एक बहुत बड़ा प्रोजेक्ट है उसमें सिर्फ दो हजार लोग काम कर रहे हैं। (व्यवधान)

श्री चतुरानन मिश्र : मेरा यह प्रश्न नहीं है। मेरा प्रश्न यह है कि labour cost component of the total cost of production is less compared to the other developed countries in the world.

And second part of the question is about the bank interest rate.

MR. CHAIRMAN: What is the (Interruptions).

SHRI CHATURANAN MISHRA: What is the total component?

श्री माखन लाल फोतेदार : आनरेबुल मेम्बर को मैं यह बताना चाहता हूँ कि अफ्रीका में जो कापर का कटेट है वह ज्यादा है यहाँ कम है। यहाँ लेबर ज्यादा इम्प्लाय होता है, उन देशों में कम होता है। वहाँ मल्टी नेशनल्स काम कर रहे हैं यहाँ अपने देश के लोग काम कर रहे हैं।

MR. CHAIRMAN: Next question, No. 62.

Import of sugar by the S.T.C.

*62. **SHRI V. NARAYANASAMY:** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) whether the Sugar Industry had recently expressed its concern for the import of sugar by the State Trading Corporation in view of the large scale production of sugar in the country; and

(b) if so, what is the reaction of Government thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI D. L. BAITHA): (a) and (b) The Sugar Industry is not in favour of import of sugar. The Government is also working towards phasing out import of sugar completely. The policy is decided taking into consideration indigenous sugar production, adequate availability for meeting internal requirements, trend of international prices etc. The interests of the consumers and sugarcane growers as well as those of the producers of sugar are always kept in mind while evolving the policy.

SHRI V. NARAYANASAMY: Mr. Chairman Sir, the hon. Minister has